



ASX ANNOUNCEMENT

16 OCTOBER 2023

Placement to Strategic Investor and Rights Offer to raise up to a total of \$3.9 million

Highlights:

- HITIQ completes Placement to strategic, sophisticated and professional investor Harmil Angel Investments ('Harmil') a private investment entity of former NRL player, Adam MacDougall.
- Placement of shares at \$0.022 (2.2 cents) a premium of 22.2% over the closing price as at 11th October, raising approximately \$600,253, before costs. The Placement also includes 1 attaching option for every 2 shares subscribed.
- HITIQ also proposes to undertake a Non-Renounceable Rights Issue Offer ('NRRI') on the same terms as the Placement to eligible shareholders to raise up to \$3.3 million before costs.
- Funds from Placement and NRRI to be deployed to accelerate the closing of near-term sales opportunities in North America and capitalise on the consumer interest in Australia for the HITIQ Smart Mouthguard.
- Commitment received by Harmil to take up their entitlement under the NRRI and Top Up for any shortfall shares to their maximum capacity.
- Lazarus Capital Partners ("Lazarus") has also committed to \$450,000 for any shortfall shares, with Lynx Advisors ("Lynx") acting as Lead Manager for any further shortfall shares available at the conclusion of the NRRI.

16 October 2023: HITIQ Limited (ASX: HIQ) (HITIQ or the **Company**) is pleased to announce that it is conducting a capital raising of up to approximately \$3.9 million (before costs) through a placement to a sophisticated and professional investor and a non-renounceable rights issue to eligible shareholders.

Placement

The Company has completed a placement to Harmil Angel Investments ('Harmil') a private investment entity of former NRL player, Adam MacDougall of \$600,253 (before costs) through the issue of 27,284,246 ordinary shares (**Placement Shares**) at an issue price of \$0.022 per Placement Share (**Placement**).

This represents a premium of 22.2% over the closing price at 11th October 2023 and a 17.6% premium over the 30-day VWAP.

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Non-Executive Chair
Non-Executive Director
Non-Executive Director
Executive Director /
Interim CEO

HITIQ's Non-Executive Chairman, Otto Buttula said, "We are excited to welcome Adam MacDougall as a shareholder. He is a highly successful sportsman and entrepreneur with a wealth of experience in consumer products businesses of which HITIQ is focusing upon with Smart Mouthguard. He is uniquely placed to identify potentially high growth Companies such as HITIQ. Therefore, the Board warmly welcomes the support from a sophisticated investor of the calibre of Harmil."

The terms of the Placement include one attaching new option (exercisable at \$0.05 and expiring on 31 October 2025) for every two shares issued under the Placement (**Placement Options**).

Executive Director and Interim CEO, Glenn Smith remarked, "Adam's background in the NRL and business success since his retirement from professional sports gives him a unique understanding of the commercialisation opportunity for HITIQ in the market. This depth of understanding along with his proven success in scaling a business means his investment companies significant investment in the Company further reinforces the belief in the HITIQ product line and the scale of the global opportunity for HITIQ".

No shareholder approval is required for the issue of the Placement Shares and Placement Options. The Placement Shares and Placement Options are expected to be issued on 18 October 2023.

Rights Issue

In conjunction with the Placement, the Company is undertaking a non-renounceable rights issue on the same terms as the Placement – being one (1) new share for every 2 shares held by eligible shareholders in Australia and New Zealand as at the Record Date of 24 October 2023 at an offer price of \$0.022 (2.2 cents) per new share plus 1 option for every 2 new shares issued under the rights issue offer, to raise up to approximately \$3.3 million (before costs) by the issue of up to 147,031,768 new ordinary shares (**Rights Issue Offer**).

Shareholders who subscribe for their full entitlement under the Rights Issue Offer will also be able to subscribe for additional shares at the same price (**Top Up Offer**) and will also be issued 1 new option for every 2 additional shares issued to them under the Top-Up Offer.

The options will have an exercise price of \$0.05 (5 cents) each and will expire on 31 October 2025. Application will not be made to the ASX for listing of the options.

There is no minimum amount to be raised under the Rights Issue Offer (including the Top Up Offer). The Rights Issue Offer is not underwritten, but the Company has already received:

- (i) confirmation from Harmil that they intend to take up their entitlement under the Rights Issue and Top Up Offer to take them to ~19.9% of the expanded share capital of the Company; and
- (ii) the Company has received a binding written commitment from Lazarus for up to \$450,000 of any shortfall available after conclusion of the Rights Issue (see below).

Lynx will act as Lead Manager of any shortfall available after conclusion of the Rights Issue. To align with shareholders, Lynx and/or its nominees have also elected to take most of their fees in securities (see below).

The Rights Issue Offer will open on Friday, 27 October 2023 and close at 5pm (AEDT), Friday 17 November 2023. Issues under this Rights Issue Offer will be made pursuant to a prospectus to be issued in accordance with Section 713 of the Corporations Act and therefore the Rights Issue Offer will not affect the Company's current Listing Rule 7.1 capacity.

No shareholder approval is required for the Rights Issue Offer. The new shares will be fully paid ordinary shares, will rank equally with the Company's existing issued shares and the Company will make an application to the ASX for the official quotation of the new shares.

The Directors also reserve the right for up to 3 months after the close of the Rights Issue Offer to place the balance of any new shares (and accompanying options) not taken up.

The table below sets out, for illustrative purposes only, the existing Share capital structure (before the Rights Issue Offer) together with the impact of the issue of the New Shares under the Rights Issue Offer. It assumes that no options are exercised prior to the Record Date.

Shares	Number
Existing Shares as at date of the Rights Issue Offer (including the Placement Shares)	294,063,535
Maximum number of New Shares issued under the Rights Issue Offer (approximately)	147,031,768
Total issued Shares following completion of the Rights Issue Offer (assuming full subscription and no exercise of any of the options)	441,095,303

Further information pertaining to the Rights Issue Offer will be sent to eligible shareholders in a Prospectus to be lodged with the ASX on or around Thursday 19 October 2023 and to be dispatched to Shareholders on or around Friday 27 October 2023.

Use of funds

An indicative use of funds raised from the Placement and the Rights Issue Offer is set out below:

Indicative expenditure	Description	\$
USA expansion	Expansion of partnerships together with marketing and sales activities in North America.	up to \$1,700,000
Product enhancement	Enhancement of product lines to generate additional recurring revenue streams.	up to \$500,000
Continued R&D	Enhancement of the data and AI capability for applications along with continued studies for CoVR	up to \$901,647
European expansion	Continued expansion in rugby, football, and elite contact sports	up to \$465,902
General Working Capital and capital raising costs*	Day to day working capital requirements and capital raising costs for the Offer	up to \$334,098
Maximum funds raised under the Offers		up to approximately \$3,900,000

* Where less than the maximum amount of \$3.9 million is raised, the Company will apply the funds raised to continue with expansion of partnerships and for general working capital requirements.

* The Company reserves the right to pay cash commission of up to 6% of the amount subscribed by eligible new investors under the Shortfall Offer introduced by holders of an AFSL (or their authorized representatives). Any such commission costs would be paid from general working capital. For example, Lynx (or its nominees), as Lead Manager will be paid a 6% fee in securities for the Placement and a 6% fee, in cash and/or securities, for the amount raised under the Shortfall.

Timetable

The following is an indicative timetable for the Placement and Rights Issue Offer:

Indicative Placement and Rights Issue Timetable ¹ Event	Date
Settlement of Placement Shares	Wednesday, 18 October 2023
Lodgement of Prospectus with ASX and ASIC	Thursday, 19 October 2023
Record Date	Tuesday, 24 October 2023
Dispatch of Prospectus and Rights Issue Offer opens	Friday, 27 October 2023
Closing of Rights Issue Offer	5pm, Friday 17 November 2023
Allotment and issue of New Shares under Rights Issue Offer	Friday, 24 November 2023
Expected normal trading of New Shares under Rights Issue Offer	Tuesday, 28 November 2023

1. Dates / times are indicative and subject to change. All times / dates are in reference to Australian Daylight Savings Time

The release of this announcement was authorised by the Board.

For further information, please contact:

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About HITIQ

HITIQ Limited (ASX: **HIQ**) operates in the healthcare equipment sector, providing and further developing a transformative, end-to-end concussion management technology platform. This platform aims to provide a total concussion ecosystem whereby the Company's products support the identification, monitoring, and management of sport related brain injury. HITIQ's product suite utilises high-end technology that will span multiple domains – from early detection and surveillance to assessment and rehabilitation technology tools.

